COTTON ADJUSTMENT

A radio talk by Oscar Johnston, Finance Division, Agricultural Adjustment Administration, delivered in the Department of Agriculture period, National Farm and Home Hour, broadcast by a network of 48 associate NBC radio stations, Wednesday, August 2, 1933.

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More than one million farmers throughout the Cotton Belt have accepted the offer of the Secretary of Agriculture and the Agricultural Adjustment Administration, to reduce this year's cotton production, each agreeing to take out of production from 25 to 50 percent of his total planted acreage. These figures represent approximately 85 or 90 percent of the growers of cotton in America. This manifestation upon the part of the producers of a willingness to take part in this acreage reduction campaign, demonstrates definitely two things,- first, that the proposal made to them was regarded as fair and just; second, and more important - that the farmers of America are willing to cooperate in any intelligent effort to bring about a curtailment of production.

For more than 50 years, proposals have been submitted, from time to time, and from every conceivable source, for the reduction of the production of cotton. These proposals have uniformly been rejected by the producers until the impression had become a fixed opinion in the minds of the Nation that the farmers were too dumb to cooperate and too selfish and self-centered to take part in any general movement intended by its sponsors to improve their economic condition.

The truth of the matter is that in the past, various cure-all plans or panaceas have been offered sometimes by well meaning but misguided individuals or groups; sometimes by persons interested in promoting their own welfare rather than that of the farmer.

Never before in the history of American agriculture has there been submitted to the producers of cotton, a carefully planned, well thought out scheme which called for the cooperation of the producers and which at the same time offered them a fair and just compensation for their cooperation. When a business proposal was at last made to the farmer, he demonstrated that he was a business man. The response of the cotton growers of America has been most gratifying to Secretary Wallace and to the Agricultural Adjustment Administration.

The campaign is not yet concluded. At the beginning of this campaign, I appealed personally to you producers of cotton to deal fairly with the Administration in submitting your offering contracts. We believe that you have done this.

The next step in the program is the matter of taking your land out of production. I again bespeak a square deal at your hands. Before you receive your compensation, you are required to furnish complete proof of the proper performance of the obligations of your contract. You will be called upon to certify that you have not gathered one lock of cotton from the acreage for which you ask to be paid. Inspectors have been appointed and a careful check will be made in an effort on the part of the Government to assure itself that it is being treated

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fairly. You are expected to completely destroy every stalk and lock of cotton grown by you on the acreage embraced in your contract. There has been some suggestion to the Department that farmers might possibly cut the cotton having bolls that are almost matured, save it until these bolls open and then pick it. Such an action would be a breach of trust and of your contract, subjecting you to forfeiture of the benefits to which you are otherwise entitled under your contract and also subjecting such persons to liability for criminal prosecution if the fraud is detected.

We are confident that such a thing will not even be contemplated by many, if any, of the farmers who have indicated a willingness to take part in this acreage reduction program but refer to the matter for the purpose of sounding a warning and ask particularly that holders of cotton options be on guard and notify the Department immediately if they find any form of fraud being perpetrated.

A word here regarding the value of the cotton options which will be given to those of you who have selected the cotton option contract as a part of your compensation:-

The value of your option is going to depend largely upon the size of the 1933 cotton crop which means that it will depend somewhat on the extent to which you and each of you, perform the obligations of your contract. It, therefore, behooves every cotton producer in the Belt who is to receive a cotton option to see to it that he and every other producer takes out of production, the full baleage covered by his contract. The failure on the part of any grower to comply with the obligations of his contract, will not only constitute a punishable fraud upon the Government but will be a deliberate fraud upon the holders of the cotton options throughout the Belt.

In conclusion, let me urge upon every producer of cotton, who has signed an acreage reduction contract, that he perform his contract in accordance with the letter and the spirit thereof and see to it, insofar as it is within his power so to do, that every other producer does likewise.

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# WHAT'S HAPPENING TO COTTON PRICES

A radio interview between Dr. Fred C. Howe, Consumer's Counsel, Agricultural Adjustment Administration, and Miss Julia K. Jaffray, General Federation of Women's Clubs, broadcast Thursday, August 10th, 1933, by the NBC and a network of associated radio stations.

ANNOUNCER:

This afternoon we are going to get some facts about prices of cotton goods that seem to be shooting up. The National Broadcasting Company and .... associated stations take pleasure in presenting now Miss Julia K. Jaffrey, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, who is going to ask Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration what's behind these increases in the price of cotton goods. This is one of a series of talks Miss Jaffray has with Dr. Howe each week at this time on consumers' problems in the recovery program. I take pleasure in presenting Miss Jaffray.

MISS JAFFRAY:

Dr. Howe, here's a letter I have received from a consumer who has been listening to our talks on food. She has some straight from the shoulder questions about shirts, and sheets, and cotton things. They are such good questions I want to put them to you to answer, not only for her benefit but for the hundreds and thousands of other women who are troubled about rising cotton prices.

"Our papers are full of advertisements", she writes, "to buy cotton goods now. Quick. Prices are going up. This is the last time, Mrs. Consumer, you'll get sheets at these bargain prices. We'll have to charge you more next week.

"Now I happen to be a consumer", my correspondent continues, "who likes a few facts mixed in with her advertisements. I want to know why these prices are going up. I want to know how much they should go up. Most consumers are like me; we don't fuss so over higher prices, if we know the right people are getting the extra pennies. The advertisements don't give us facts like these. They just tell us prices are on the up and up, and expect us to take their word for it that these increases are fair. Can <u>you</u> tell us where we can get the answers to these questions?"

DR. HOWE:

That's the kind of straight-shooting question I like to come from a consumer, Miss Jaffray. <u>Why</u> are prices of cotton goods going higher? <u>Who'll</u> get that increase? How much is a <u>fair</u> increase?

MISS JAFFRAY:

Let's take these questions up one at a time. First of all, won't you tell us, Dr. Howe, why there should be <u>any</u> increase in what we have to pay, say for sheets?

DR. HOWE:

Three things are sending up the price of sheets: one, the farmer is getting more for his cotton; second, to help the farmer get more, the government has had to put a tax on the processing of cotton. Third, the mill

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operators, clothing manufacturers, and merchants selling you sheets say they are paying their workers more money. Any one or all of these things may be sending prices up.

MISS JAFFRAY:
You say the farmer is getting more for his cotton, Dr. Howe. How much has he been getting in the past?

DR. HOWE:
Before this depression started, farmers got around 20 cents a pound. In June of last year, they got as little as 4 1/2 cents a pound - the lowest price in 35 years.

MISS JAFFRAY:
With such a low price, cotton growers must have made a miserably poor living.

DR. HOWE:
They certainly did. In 1932 the year the price went lowest of all, they earned an average of $215 from cotton. For many of them this represented all or a large part of their income for the year. Just about $4 a week. And mind you, that $4 a week had to cover all their expenses of planting and gathering the cotton, as well as to pay for their hard work. While their pay was touching bottom, prices of the things they had to buy came down only part way. If a cotton farmer had wanted to buy an ordinary workshirt, which has in it a little less than a pound of cotton, he would have had to pay the equivalent of 10 pounds of cotton for it last year.

MISS JAFFRAY:
What made cotton prices tumble from 20 to 4 1/2 cents?

DR. HOWE:
They tumbled because more and more cotton was grown; because we couldn't sell as much of it - either here or abroad as we used to; and so a great surplus began piling up. Each year some more was added to their left-over pile. The bigger it got, the lower the price went.

MISS JAFFRAY:
How much cotton do we grow in this country, Dr. Howe?

DR. HOWE:
For the past five years - that's from 1928 to 1932 - we produced about 14 1/2 million bales a year. An average of 14 1/2 million bales. In a general way, half of that was sold abroad. The rest was used at home or piled up in this surplus I've been talking about.

MISS JAFFRAY:
Does all the cotton used in this country go into the clothes we buy and the cotton things we use in our household?

DR. HOWE:
By no means. Between 30 and 40 percent is used by industry. A lot of it goes into making automobile tires and tops, bags, belting, hose, twine. These uses have fallen off more than the personal and household uses during the depression.

MISS JAFFRAY:
Dr. Howe, tell us how much cotton there is piled up, unused?

DR. HOWE:
Last August, the beginning of the 1932 cotton year, there were about 13 million bales of unused American cotton in the world. These 13 million bales would have just about supplied what we use in this country for two years, even if not another pound of cotton had been harvested in the South this year. Of course, we always have to have some left in reserve for emergencies. But 13 million extra bales is much too much.

Just imagine how much extra cotton that means.

You could make a roadway with it -- seven bales wide (that's 28 feet) -- that would stretch all the way from Washington to Galveston, Texas.

MISS JAFFRAY:
But, Dr. Howe, when farmers saw how much cotton was carried over from last year, did they not plant less this year?

DR. HOWE:
No, they planted more acres than they did the year before, four million acres more.

MISS JAFFRAY:
Why did they not plant less?

DR. HOWE:
That seems like the sensible thing to do, to us who aren't cotton farmers. But just consider their problem. In the first place, for at least a million and a half farmers in this country, cotton is their most important crop. This is the thing they depend on to make their living, to bring them the money to buy the many household and farm necessities they can't make. Second, most of them find they couldn't earn any more if they turned to some other kind of farming. A third reason is that they must produce something because they have heavy taxes and debts to pay. And finally, it wouldn't do any good for a few farmers here and there to stop planting; the only sure and fair way they could hope to reduce the new crop would be for them all to act together. And they couldn't do this without the government's help.

MISS JAFFRAY:
So that's why the government stepped in this summer, to help the farmers control the amount of cotton they produced, so that they could get a better price for it?

DR. HOWE:
Exactly. That is the purpose of the cotton adjustment plan that was started several months ago.

MISS JAFFRAY:
Tell us, Dr. Howe, how that plan works.

DR. HOWE:
It's very simple. Since the cotton was planted, the government couldn't ask the farmers to plant less. What it could do, was to ask the farmers not

to gather all their crop. So they were asked to plough under from 25 to 50% of what they had planted. To compensate them for destroying part of their crop, the government offered to pay them rent for the ground ploughed up.

MISS JAFFRAY:
Has this plan worked, Dr. Howe?

DR. HOWE:
It looks as if it had done a great deal to help get better prices for cotton. Instead of having a crop of around 16 million bales this fall, the harvest is expected to bring in about 12 million three hundred thousand bales.

MISS JAFFRAY:
How about the price of cotton? Has this plan worked in raising the amount of money farmers are getting for cotton now?

DR. HOWE:
Cotton prices have been picking up since March. At first, the international market and fear of inflation probably helped them up. Then in June when the cotton adjustment plan got started, they went up still further, until they reached 11 1/2 cents a pound -- the highest they've been since early in 1930. Since July they have slipped back to around 9 cents, but even that is way ahead of their level last year.

MISS JAFFRAY:
But what are these higher prices to farmers going to do to the price we consumers have to pay for the cotton goods we buy, Dr. Howe?

DR. HOWE?
Let me show you what difference they have made in the cost of the cotton that goes into a man's workshirt. Last March the amount of raw cotton necessary to make a man's workshirt cost a trifle over 5 1/2 cents. In the second week of August, this month, it cost a little less than 8 and a third cents. These higher prices to farmers, that is, have added less than three cents to the material costs of that shirt.

MISS JAFFRAY:
What difference do they make in the cost of a sheet?

DR. HOWE:
Let's figure that out. We'll take a sheet measuring 81 x 99 inches, because that is one of the most popular sizes. The raw cotton in that sheet cost last March about 14 cents; in the second week of August, it cost around 20 cents. A difference of 6 cents a sheet. An increase of 6 cents on a dollar sheet isn't so unreasonable.

MISS JAFFRAY:
But that isn't the only increase. You spoke in the beginning of three things sending up the price of cotton goods. The first was the increase in the price of raw cotton. You've given an idea of what that amounts to. Second, you spoke of the processing tax adding to the cost of the cotton. What is this tax for, Dr. Howe?

DR. HOWE:
To get the money to pay the farmers rent for their ploughed up land,

the government placed a tax on the cotton after it left the farmer, at the place where the bale of cotton is broken.

MISS JAFFRAY:
How much is that tax?

DR. HOWE:
It amounts to 4.2 cents a pound on the net weight of the cotton.

MISS JAFFRAY:
Who collects this tax?

DR. HOWE:
The Bureau of Internal Revenue collects it, and turns it into the Treasury.

MISS JAFFRAY:
How is the money collected from this tax then paid out to the farmer?

DR. HOWE:
The farmer must prove to the local committee and the county committee that supervises the ploughing under of the cotton, how much of his land he has ploughed under. The county committee then reports to Washington. When all the records are in, then the Treasury makes out a check for the farmer.

MISS JAFFRAY:
Have any of the farmers got their checks yet?

DR. HOWE:
They are beginning to go out and soon they'll be sent out at an increasing rate.

MISS JAFFRAY:
Dr. Howe, can you tell us how we consumers can figure out how much this processing tax adds to the cost of the cotton goods we buy?

DR. HOWE:
Here's a rough rule consumers can go by in calculating what this tax means to them.

First, find out how many pounds the article weighs. Then multiply the number of pounds by five cents. That will give you, as I say, a rough idea of the amount of the tax. Five cents a pound takes into account the cotton that is wasted during the manufacturing process. Let's take as an example, one of those all-over aprons women use. There's about one pound of raw cotton in it. The tax on that apron, then would be approximately five cents.

MISS JAFFRAY:
As I understand it, Dr. Howe, the farmer is supposed to get the benefit of both of these increases in our prices which you have been describing. He is supposed to get more for his cotton because the supply is being reduced. He is to get more because of the processing tax that is paid to him for reducing his supply.

DR. HOWE:

Exactly. Both of these increases should go to the farmer.

MISS JAFFRAY:

Can you give us some idea how much these two increases taken together come to on some of the simple cotton things we buy?

DR. HOWE:

I can give you, again, a rough idea. I have a list of them in front of me. Suppose I read them off. First on the list are men's half hose; the increase in the cost of raw cotton and the tax from March to the second week of this month, August, would amount to about one cent. On men's overalls it would be about 15 cents, because there is much more cotton in them. Men's work shirts, 6 1/2 cents; women's dresses (this is, of course, a very general average), some 6 cents; women's uniforms or aprons, 7 cents; sheets (81 x 99 inches), 14 cents.

MISS JAFFRAY:

Besides these increases in material costs, are there not some increases in labor costs, too, that would explain why prices are going to go up?

DR. HOWE:

Yes, the third big reason why consumers may have to pay more for these goods is that the cotton mills and factories have agreed to pay their workers more money and make them work fewer hours. And they've agreed not to employ children at miserably low wages. This is what they did when they signed codes with the National Recovery Administration.

MISS JAFFRAY:

Putting more money into workers' pockets is certainly nothing we consumers can complain about. We're all for it. And the more money they get, the better. What we would like to know, though, is how much of these higher prices is actually going to the workers. Can you tell us that, Dr. Howe?

DR. HOWE:

We haven't got all the figures we need on that, yet. It is an important question for consumers, and we're working hard to find the answer. When we get it, you can be sure, we'll tell you about it.

MISS JAFFRAY:

That's splendid, Dr. Howe. You have answered many bothersome questions about cotton this afternoon. The facts you've given us help a lot in understanding these threats of higher prices. I'm sure my correspondent will think so, too.

Just one thing more. You've given us figures showing how the price of cotton has gone up; how much the processing tax is; and you say you may have figures showing how much more money the mills and factories are paying out to their workers. These costs change from day to day. Can you not report them to us every once in a while so we can check our prices against them?

DR. HOWE:

That's what we are planning to do. Consumers deserve all the help they can have in judging the fairness of price increases. And my job is to see that they get it.

We are going to report: First, what is the average retail price of the simple everyday type of cotton goods. Second, the wholesale price of these goods. Third, we'll give figures on the price of raw cotton used to make them. Fourth, we'll report how much the processing tax should amount to on each of these commodities.

We're not forgetting labor costs, which are much greater than material costs. We are going to get all the facts we can on them, and report to you.

With these data, consumers can see just how much increase there is, if any, between what they pay and what the farmer gets; whether labor is getting some of this increase; and they will have a check on their local prices, too.

Watch your papers for these reports.

MISS JAFFRAY:

We shall certainly be on the look-out for your cotton reports, Dr. Howe. They will be immensely useful to us. If our local papers don't carry the story, we'll ask them to get your reports and publish them. Wise housekeepers will clip them out of the paper, and take them along when they go shopping to buy cotton goods.

ANNOUNCER:

Thank you, Miss Jaffray. You have just listened to an interview by Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, with Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, on what's behind the rise in the price of shirts and sheets and cotton things. If you'd like a copy of this interview, write for it to the General Federation of Women's Clubs in Washington, D. C. Miss Jaffray will also be glad to have you send her any questions you have on cotton prices. She will get the answers, if it's possible to get them.

This is the National Broadcasting Company.....

# ADJUSTING COTTON PRODUCTION IN MISSISSIPPI

(An address by L. A. Olson, Director of Extension for Mississippi, from the studios of the National Broadcasting Company, Chicago, August 16, 1933.)

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Ladies and Gentlemen of the Radio Audience: Cotton was one of the first commodities to receive attention under the provisions of the Agricultural Adjustment Act, which was passed by the last Congress as one of the major steps taken "to relieve the National economic emergency by increasing agricultural purchasing power". That the adjustment of cotton production is a gigantic undertaking and of great economic importance to the State may be realized when I tell you that the farmers in Mississippi grow about four million acres of cotton each year; that this acreage constitutes fifty-five percent of the land planted to all crops in the State; that cotton and cottonseed, normally, account for three-fourths of the cash income derived from farm production; and that the Mississippi cotton crop represents one-tenth of the cotton producing industry in the United States.

The great need for this program, designed to effectively raise the price of cotton and increase the farmer's income, is emphasized by the astounding fact that the cash income from cotton in the State fell from 183 million dollars in 1929 to 37 million dollars in 1932, even with a normal crop. Stating it in still another way, in order that you may fully appreciate this basic fact, Mississippi cotton growers in 1932 received only one-fifth as much for their cotton crop as they did in 1929.

So when on June 19th, the Secretary of Agriculture, with the approval of the President, authorized the State Extension Service to take the lead in the program to retire one million acres of growing cotton from production, Mississippi growers were ready for action. State and county organizations were quickly perfected to carry the program to the 282,000 cotton farmers of the State. Each of the 82 counties was a unit in the organization. The county organizations were headed up by the county agents as county administrators. A County Committee, and a local Community Committee for approximately every 100 farmers, was appointed. More than five thousand of the leading farmers in the State were drafted into service and worked from fourteen to sixteen hours a day throughout the sign up campaign. Cooperating organizations, state and county officials, other interested individuals, and the press, gave united and unstinted support to the program.

The result was that on July 19th, closing day of the sign up campaign, a total of 107,272 farmers had signed offers to the Government to plow up nearly a million acres of growing cotton in return for land rental benefits and options on Government owned cotton at the low price of six cents per pound. This promises to put between fifteen and twenty million dollars into the pockets of Mississippi cotton growers, and at the same time increase the price of the harvested crop.

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Our cotton growers welcomed the opportunity offered them under the Agricultural Adjustment Act to do together what in the past they had failed to do separately. The farmers have looked on the program as being both a business proposition and a patriotic duty. They realize that the plan will not cure all of their ills, but they hope that it will go a long way toward adjusting the supply of cotton to demand and to restoring farm buying power by increasing the price of cotton in relation to the prices of things farmers buy. The farmers of Mississippi appreciate the efforts of the Administration to improve their economic condition.

With more than three-quarters of a million acres of cotton already plowed under, the growers are now turning their attention to the big problem of utilizing this large acreage to the best advantage by planting it to food, feed and soil building crops.

The State Extension Service is taking the lead in formulating crop replacement plans that will further strengthen the live-at-home program cut family living costs, supply farm needs for feed, build richer soils, and generally adjust farm production to farm needs and market demands.

The live-at-home program is already successfully under way in the State. This is attested to by the fact that the cotton acreage in Mississippi this year, according to the Government's July 8th crop report, was increased by only one percent as compared to an eleven percent increase for the cotton belt. The adjustment program is expected to give added interest to year-round gardening, home orcharding, food conservation, home improvement, and many other enterprises that will help to make the farm home a more self-sustaining and satisfying unit of the state and nation.

# COTTON ADJUSTMENT

A radio address by Cully A. Cobb, Agricultural Adjustment Administra delivered in the Department of Agriculture period of the National Farm and Hour, broadcast by a network of 48 associate NBC radio stations, Thursday, August 17, 1933.

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Ladies and Gentlemen of the Farm and Home Audience:

An administrative decision in Washington has cleared the way for the prompt distribution of the checks to cotton producers who have signed the acreage reduction contracts and complied with their contracts by plowing up the cotton.

These checks now are beginning to move out. Those producers who have promptly complied with their contracts will receive their checks immediately.

I come today to explain to you three matters of vital importance. First, the absolute necessity of plowing up your cotton by Wednesday of next week; second, the importance of immediately sending in your certificates of performance; and third, just how the checks will be sent to you when you have complied with your contract and what you must do to obtain the proceeds.

If this campaign is to be a complete success we must, in the words of President Roosevelt, "fulfill every condition necessary" and carry out the contract in its every term. We have set Wednesday of next week -- August 23 -- as the "dead-line" for plowing up the cotton. All the individual acceptances will be in the hands of the producers by that time. They will have been given this additional evidence of final authority to proceed to take out of production the land they have agreed to eliminate. Of the 1,037,000 offers that have been received, 907,316 individual acceptances have gone out. The remainder of these acceptances are going out in every mail leaving Washington. So we must wind up this campaign. Let me repeat, producers will be given until Wednesday night of next week to plow up their cotton. You can not delay further.

The second point which I desire to emphasize is the importance of sending in your certificates of performance immediately. No checks can be sent out until these certificates of performance have been received in Washington. These certificates are in the hands of county agents. Your county agent also will receive the individual acceptances. If you have not plowed up your cotton, I would urge that you immediately communicate with your county agent, procure your acceptance notice and proceed immediately to take the cotton out of production. Let me repeat that this is the only way you can receive your check. The certificate of performance must be in Washington before the checks can be mailed out.

Now these two points I have raised -- that Wednesday of next week is the deadline for plowing up cotton and that certificates of performance must be sent in promptly if you are to receive your check promptly--- go right to the heart of this whole effort to remedy the cotton situation. On August the 8th the Crop Reporting Board speaking to you over this same network said, "If this campaign for acreage reduction had not been conducted, the Crop Reporting Board estimates that about 16,560,000 bales would be in prospect now, instead of 12,300,000. It seems obvious that these additional four and a quarter million bales that have been taken out would have forced the price of cotton down to a level that would have been ruinous to all the cotton growers.

As it is, the price is about twice what it was early last spring, and most of the cotton farmers are more hopeful than they have been for a long time. Just at first thought it seems curious that a small cotton crop would bring more total cash than a big crop, but that is the way it usually works out."

With a record crop that would have been harvested if this acreage reduction program had not been attempted, it is all the more important that every bale of cotton be eliminated from production which the producer has agreed to eliminate. Also, if we are to have any improvement next year and the years that are to come, it is essential that we take full advantage of this opportunity to work down the excessive supplies. Let me further remind the cotton producers that they have a contract with the government and the government will expect that it be performed in every particular.

I am certain that every cotton producer realizes the importance of immediately destroying the cotton he has agreed to destroy. I am sure that you understand that you will receive your check when and only when you have executed the proper performance papers and forwarded them to Washington.

Those producers who owe the various government credit agencies and whose debt is secured by a lien on the cotton crop, will receive their checks made payable jointly to the producer and the Governor of the Farm Credit Administration as such, and as trustee for any Regional Agricultural Credit Corporation, Federal Land Bank or Federal Intermediate Bank, as itsinterests may appear. Full instructions on how to cash such checks will be sent growers. Any funds owing the government will <u>not</u> be deducted from the checks and the individual producer will be given the opportunity to make settlement with the government agencies according to his particular circumstances.

As to the crop production loans, sometimes called feed and seed loans, and the loans owing the Regional Agricultural Credit Corporations where the paper has not been discounted or endorsed by third parties, Governor Morgenthau has announced that the producers will not be compelled to apply the proceeds upon the debt, but will be expected to make a fair settlement if his circumstances permit him to do so. In other words, if cotton farmers owing seed loans are in particular need of funds at this time, the field representatives of the Farm Credit Administration will endorse the check recieved from the Agricultural Adjustment Administration upon presentation to them and the farmer will be permitted to take the entire proceeds for his own use, governor Morgenthau has announced. But if the farmer desires to apply a part of the proceeds of his check upon the indebtedness and can do so he will be expected to do so.

In other classes of federal loans which are secured by a lien on this year's cotton crop, such as loans due the Federal Land Banks, Intermediate Credit Corporations and Joint Land Stock Banks, the producers will be required to enter into negotiations with the representatives of these agencies as to what portion of the proceeds of the check will be applied to the loan, governor Morgenthau announced.

In conclusion, let me repeat that the Agricultural Adjustment Administration now is ready to send out the checks. They will be dispatched to the cotton producers just as rapidly as certificates of performace are received from the field. So let's wind this thing up. Again, it is up to the cotton farmer. You must plow up your crop by Wednesday of next week. There is no excuse for further delay. Everything possible has been done to facilitate the conclusion of this cotton adjustment program. Cotton farmers must take the final step and take it immediately. I have every confidence that we will receive a continuation of the same splendid cooperation that has characterized and assured the success of this program from the beginning.